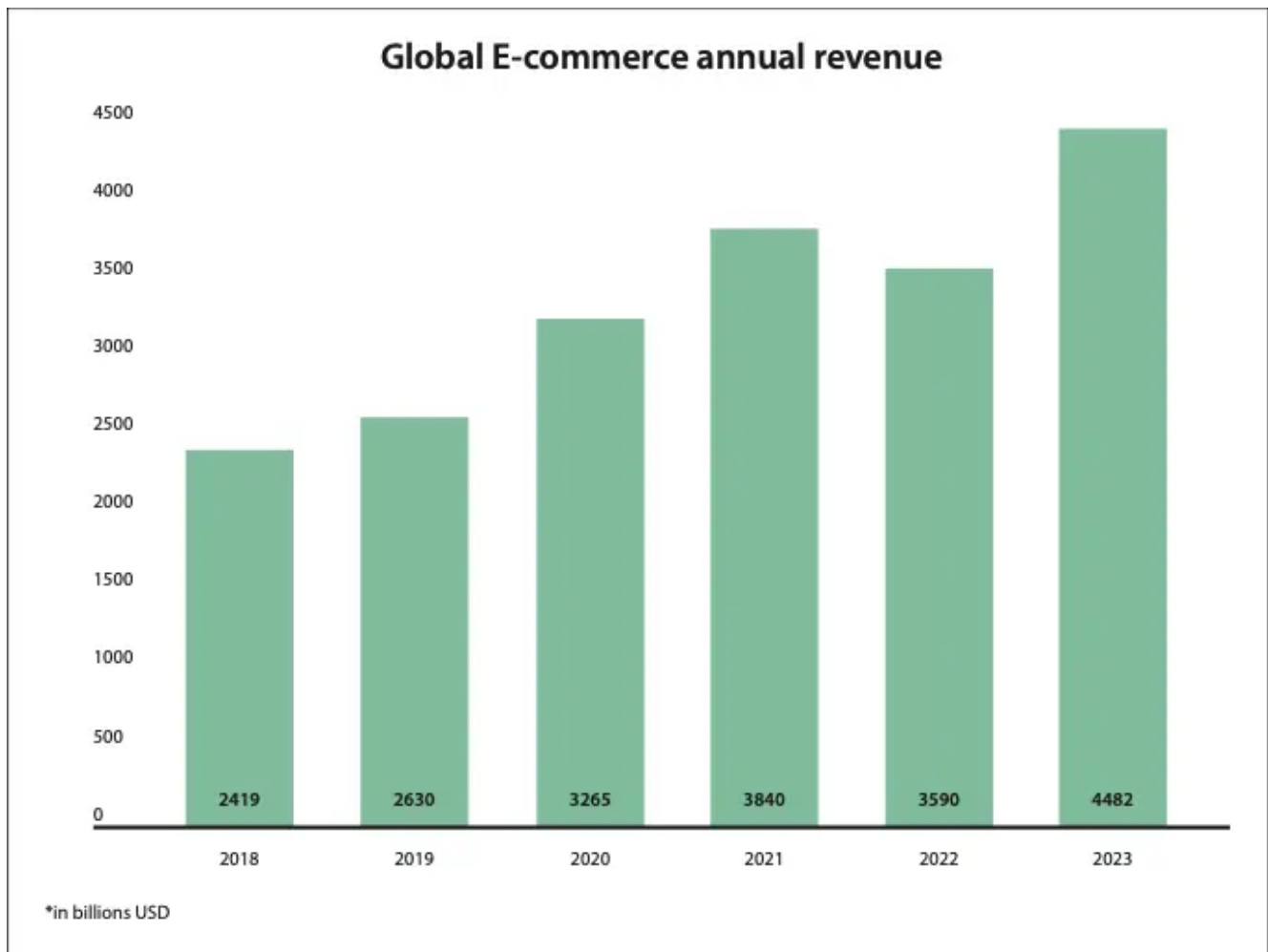


Following Years of Growth, E-Commerce Industry to Shrink by 6.5% in 2022

December 14, 2022. Vyom Chaud



After years of positive growth, the eCommerce industry is set to witness negative growth in 2022. According to figures presented by SafeBettingSites.com, the global eCommerce industry is expected to make \$3590 billion in revenue in 2022. This sum would represent a 6.5% y-o-y decline in annual revenue.

Latest estimates predict annual revenue to decrease by \$250 billion

According to the latest estimate from the market and consumer data company Statista, the global e-commerce industry is set to undergo negative growth in 2022. Initial reports had predicted positive growth for the e-commerce industry in

2022. However, multiple global factors have forced the company to readjust its projections. The latest report has adjusted the 2022 revenue projection from \$4299 billion to \$3590 billion. Considering that the global e-commerce industry brought in \$3840 billion in 2021, the 2022 numbers suggest a decrease of \$250 billion in annual revenue. A reduction of \$250 billion in revenue translates to a 6.5% decrease on a y-o-y basis.

This decline in revenue comes after a sustained period of significant growth, primarily down to people staying home due to the pandemic. Fueled by the pandemic, the e-commerce industry revenue grew by 24.1% in 2020 and 17.6% in 2021. However, the positive trend will reverse in 2022, and there are multiple reasons behind the decline.

However, the industry is expected to bounce handsomely back next year. As per the same report, the annual revenues are expected to reach \$4482 billion in 2023, indicating a massive growth of 24.8%.

Reasons behind the slump

Multiple factors have led to the e-commerce slump in 2022. Firstly, the e-commerce industry is witnessing a readjustment following massive growth during the pandemic. As the world opens up in 2022, the share of retail shopping has increased as expected.

Secondly, the ongoing Russia- Ukraine war has had a massive impact on the global economy in general. The war has led to high inflation and supply chain issues, especially in Europe. The sudden increase in the price of fuel and food has impacted customers' ability to spend. Furthermore, the ongoing recession has also resulted in an increase in the rate of unemployment.

The 2023 estimates paint a rosy picture for the industry, but the ongoing war and economic recession could yet have a more negative impact.